

## Message Text

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22

ACTION COME-00

INFO OCT-01 ARA-10 ISO-00 EB-07 XMB-04 /022 W

----- 109230

R 131454Z MAY 76

FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC 3695

INFO AMEMBASSY BRASILIA

AMCONSUL SAO PAULO

UNCLAS RIO DE JANEIRO 1856

E. O. 11652: N/A

TAGS: ELTN, BEXP, BENC, BR

SUBJ: SUBURBAN PASSENGER CARS FOR RIO RAILROAD

REF.: A-76 OF OCT. 22, 1975

1. SUBURBAN TRAINS - RFFSA (FEDERAL RAILROAD COMPANY) ADMINISTRATIVE DIRECTOR, DR. ALVARO GOMES BARBOSA GAVE FOLLOWING HIGHLIGHT OF ACQUISITION OF 310 UNIT-TRAINS FOR RIO SUBURBAN RAILROADS. UNIT-TRAINS CONSIST OF 3 CARS EACH OF WHICH ONE IS TRACTION CAR.

2. ACCORDING TO DR. ALVARO, AWARDS OF 150 UNIT-TRAINS HAVE BEEN DETERMINED. 70 UNIT-TRANS WERE ORDERED FROM BRAZILIAN FIRM - MAFERSA. THE JAPANESE FIRM, MITSUI, (SEE REFAIR) WON THE INTERNATIONAL COMPETITION TO FURNISH 40 UNIT-TRANS. CONTRACT NEGOTIATIONS WITH JAPANESE ARE IN PROGRESS AND ARE EXPECTED TO BE COMPLETED SHORTLY. 40 UNIT-TRAINS ARE EXPECTED TO BE AWARDED TO ANOTHER BRAZILIAN FIRM - COBRASMA, WHICH IS PART OF A CONSORTIUM WITH FRENCH INTERESTS. DR. ALVARO SAID THE REMAINING 160 UNIT-TRANS WILL BE ORDERED FROM BRAZILIAN FIRMS, MOST LIKELY IN CONSORTIUM WITH FOREIGN INTERESTS. HE ESTIMATED THE COST OF UNIT-TRAINS AT US\$1.5 MILLION EACH. HE ALSO INDICATED THAT LOCALLY BUILT TRAINS HAVE AVERAGE OF 30 PERCENT FOREIGN COMPONENTS, MAKING EXPORT OPPORTUNITY FOR REMAINING 160 UNITS AT US\$72 MILLION. RFFSA BID INVITATIONS ON UNIT-TRAINS ARE FOR 40 UNIT LOTS AND FIRMS MAY BID ON ONE OR MORE LOTS. DEADLINE FOR SUBMISSION OF BIDS TO RFFSA IS JUNE 21.

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INTERESTED FIRMS MUST COMPLY WITH FOLLOWING DELIVERY SCHEDULE:

| QUANTITY | 1978 | 1979 | 1980 |
|----------|------|------|------|
| 40       | 11   | 13   | 16   |
| 80       | 22   | 26   | 32   |
| 120      | 33   | 39   | 48   |
| 160      | 44   | 52   | 64   |

3. COMMENT: WE UNDERSTAND THAT MAFERSA AND COBRASMA MAY NOT BE ABLE TO PARTICIPATE IN THIS SERIES OF BIDS OWING TO CAPACITY LIMITATIONS. MAFERSA IS ALSO BUILDING CARS FOR SAO PAULO AND RIO METROS IN COOPERATION WITH BUDD AND WESTINGHOUSE AND APPERS FULLY COMMITTED.

4. BID PROPOSALS FROM FIRMS TO RFFSA MUST ALSO SPECIFY FINANCING. THUS IT IS POSSIBLE THAT EXIMBANK MAY RECEIVE REQUESTS FROM AMERICAN FIRMS INTERESTED IN SUPPLYING COMPONENTS. POST HAS LEARNED FROM GE REP THAT THE 70 TRAIN-UNITS BEING BUILT BY MAFERSA WILL HAVE GE CONTROLS FROM ERIE, PA. ACCORDING TO GE REP FINAME, SPECIALIZED FINANCING AGENCY OF BNDE, PROVIDED FINANCING FOR THESE TRAIN-UNITS, INCLUDING FOREIGN COMPONENTS. IT IS MOST UNLIKELY THAT FINAME FINANCING WILL BE REPEATED FOR FOREIGN PORTION OF ADDITIONAL CARS TO BE ORDERED. GE REP HAS INFORMED CONGEN THAT, WITH MAFERSA OUT OF THE PICTURE, HIS FIRM WILL ATTEMPT TO ACT AS POTENTIAL SUBCONTRACTOR TO OTHER LOCAL FIRMS CAPABLE OF SUPPLYING CARS.

5. POST HAS LEARNED THAT PULLMAN INC. HAS RE-EXPRESSED INTEREST IN ENTERING BRAZILIAN MARKET THROUGH JOINT-VENTURE WITH LOCAL AGENT, FERRAGENS SANTOS. PLANS CALL FOR PURCHASE AND EXPANSION OF RIO BASED FIRM, EMAFER. HOWEVER, IT MAY BE DIFFICULT FOR PULLMAN TO PUT TOGETHER BID PROPOSAL TO MEET JUNE 21 DEADLINE.

6. EMBASSY CONCURS THIS MESSAGE.  
DEXTER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** RAILROADS, ROLLING STOCK  
**Control Number:** n/a  
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**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**TAGS:** ELTN, BEXP, BENC, BR, RFFSA, FEDERAL RAILROAD CO  
**To:** STATE  
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